

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 10, 2022

Company name: EXEO Group, Inc.
 Stock exchange listing: Tokyo
 Stock code: 1951 URL <https://www.exeo.co.jp/>
 Representative: President and CEO Tetsuya Funabashi
 Operating Officer
 General Manager of Accounts & Finance
 Inquiries: Division Shigeki Hayashi TEL 03-5778-1105
 Chief Financial Officer
 Scheduled date to file Quarterly Securities Report: August 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	120,883	0.5	3,716	(55.6)	5,728	(35.8)	2,912	(47.3)
Three months ended June 30, 2021	120,257	13.3	8,378	101.3	8,918	76.2	5,530	80.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	26.56		26.54	
Three months ended June 30, 2021	49.86		49.81	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	498,446	303,101	59.8	2,735.20
As of March 31, 2022	535,617	307,053	56.6	2,748.21

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	44.00	–	52.00	96.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	51.00	–	51.00	102.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	600,000	0.9	38,500	(9.2)	39,400	(12.9)	25,600	(7.8)	236.02

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	116,812,419 shares	As of March 31, 2022	116,812,419 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	7,812,178 shares	As of March 31, 2022	6,424,185 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	109,661,131 shares	Three months ended June 30, 2021	110,911,348 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	54,860	56,303
Notes receivable, accounts receivable from completed construction contracts and other	217,644	149,957
Securities	750	263
Costs on construction contracts in progress	46,194	63,931
Other	7,279	10,259
Allowance for doubtful accounts	(68)	(131)
Total current assets	326,660	280,583
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,884	41,070
Land	61,633	61,847
Other, net	25,382	26,350
Total property, plant and equipment	126,900	129,268
Intangible assets		
Goodwill	9,207	12,048
Other	4,538	7,014
Total intangible assets	13,745	19,062
Investments and other assets		
Other	68,929	70,173
Allowance for doubtful accounts	(618)	(640)
Total investments and other assets	68,311	69,532
Total non-current assets	208,957	217,863
Total assets	535,617	498,446

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	69,579	51,401
Short-term borrowings	30,756	24,687
Income taxes payable	10,706	1,372
Advances received on construction contracts in progress	9,404	13,500
Provisions	4,679	3,345
Other	32,636	28,161
Total current liabilities	157,764	122,469
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	18,006	19,167
Provisions	762	775
Retirement benefit liability	9,548	9,703
Other	12,483	13,228
Total non-current liabilities	70,800	72,875
Total liabilities	228,564	195,344
Net assets		
Shareholders' equity		
Share capital	6,888	6,888
Capital surplus	48,546	48,437
Retained earnings	244,892	242,188
Treasury shares	(13,063)	(16,027)
Total shareholders' equity	287,263	281,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,937	8,581
Foreign currency translation adjustment	(985)	(1,128)
Remeasurements of defined benefit plans	10,154	9,196
Total accumulated other comprehensive income	16,106	16,649
Share acquisition rights	185	166
Non-controlling interests	3,497	4,798
Total net assets	307,053	303,101
Total liabilities and net assets	535,617	498,446

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	120,257	120,883
Cost of sales	102,026	105,518
Gross profit	18,231	15,365
Selling, general and administrative expenses	9,852	11,648
Operating profit	8,378	3,716
Non-operating income		
Interest income	4	17
Foreign exchange gains	–	1,063
Other	909	1,262
Total non-operating income	914	2,343
Non-operating expenses		
Interest expenses	39	104
Other	334	227
Total non-operating expenses	374	332
Ordinary profit	8,918	5,728
Profit before income taxes	8,918	5,728
Income taxes	3,307	2,720
Profit	5,610	3,007
Profit attributable to non-controlling interests	80	95
Profit attributable to owners of parent	5,530	2,912

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	5,610	3,007
Other comprehensive income		
Valuation difference on available-for-sale securities	604	1,644
Foreign currency translation adjustment	347	(130)
Remeasurements of defined benefit plans, net of tax	(140)	(958)
Total other comprehensive income	810	555
Comprehensive income	6,421	3,562
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,339	3,455
Comprehensive income attributable to non-controlling interests	82	107